

Poughkeepsie, NY -- Congressman Maurice Hinchey (D-NY) today visited Poughkeepsie to outline new legislation he will introduce this week to crack down on rampant speculation that is driving up gas prices. Even Wall Street insiders and representatives from Big Oil are quick to admit that speculation is driving up prices. Energy experts from [Exxon](#), [Mobil](#), [Delta Airlines](#) and [Goldman Sachs](#)

recently said that excessive speculation is responsible for 20 to 40 percent of the price of a barrel of crude oil. Gas prices in Poughkeepsie are hovering at \$4 per gallon, even though supplies are greater and demand lower than two years ago when prices averaged about \$2.44 a gallon nationwide. Hinchey's bill, entitled the The End Excessive Oil Speculation Now Act has already been introduced in the U.S. Senate by Senator Bernie Sanders (I-VT) and would compel federal regulators to take immediate action to address the problem.

"Once again, the economic well-being of middle class families is being put at risk by Wall Street," said Hinchey. "The price of gasoline has spiked due to record speculation, and small businesses and working people are paying the price. This legislation would immediately implement new rules to ensure the price of fuel is based on supply and demand - not the whims of greedy speculators. Last year, we gave federal regulators the authority to stop rampant speculation, but so far they have failed to act. This new bill would require immediate action. We simply can't afford to wait any longer."

"I have become increasingly concerned about the cumulative impacts that rising prices for food, housing, fuel and medicine have had on families in our community," said Poughkeepsie Mayor John Tkazyik who joined Hinchey for the event. "Gas prices, which are excessive to those in our community, are restricting the creation of jobs, tourism, and the many other activities that fuel is used for. I support the fight to end speculation of gas prices and hope that decreasing prices will lead to an even greater stimulation in our economy."

A provision in last year's Wall Street reform law required federal regulators to clamp down on speculators, but the Commodity Futures Trading Commission (CFTC), which is charged with implementing the regulations, has so far not done so. Hinchey's bill would force the chairman of the commission to establish strong position limits to eliminate excessive oil speculation. It also would impose margin requirements so investors would have to back their bets with real capital. In addition, bank holding companies, investment banks or hedge funds that engage in proprietary oil trading would be classified as speculators. The commission's chairman would be given broad power to take any other actions needed to ensure that the price of crude oil,

gasoline, diesel fuel, jet fuel and heating oil accurately reflects the fundamentals of supply and demand.

Hinchey has been calling for the CFTC to implement aggressive anti-speculation rules since March, when the commission announced that speculation had increased by 64 percent since June 2008, reaching the highest level ever recorded. Republicans in Congress have taken a different approach and recently voted to cut the budget for the CFTC by nearly half - a policy that would make it impossible to rein in speculation.

Hinchey is also a cosponsor of the Federal Price Gouging Prevention Act, which makes it illegal to sell gasoline at excessive prices and prevents Big Oil from taking advantage of consumers by engaging in price gouging to artificially drive up prices. In addition, the congressman has supported President Obama's call to end \$40 billion in Big Oil subsidies and instead use the money to invest in new technology that lessens our dependence on foreign oil. Hinchey is working to pass the Ending Big Oil Tax Subsidies Act and recently sponsored an amendment to close a \$53 billion loophole that allows oil companies drilling in the Gulf of Mexico to avoid paying royalties owed to American taxpayers.

The congressman said America needs a comprehensive approach to reducing its addiction to oil and that the Hudson Valley's solar energy industry can help lead the way forward. Despite a recent effort from House Republicans to roll back investments in renewable energy, Hinchey said he'll press on to ensure that America is a leader in green energy production.